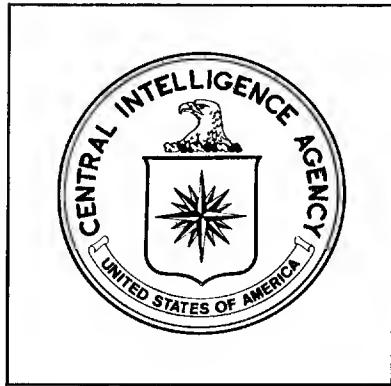


93 HIR 26  
**Confidential**



## The USSR

# REGIONAL AND POLITICAL ANALYSIS

**Confidential**

RP ASU 77-026  
22 September 1977

228

25X1

Approved For Release 2004/07/16 : CIA-RDP79T00912A000100010038-7

Approved For Release 2004/07/16 : CIA-RDP79T00912A000100010038-7

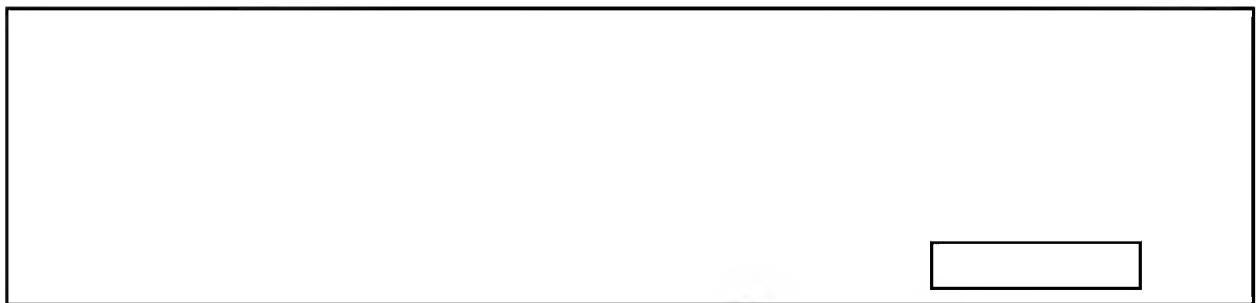
THE USSR

22 September 1977

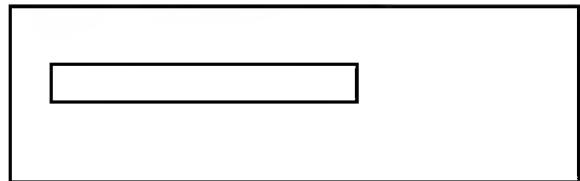
CONTENTS

Authoritative CPSU Journal Spells Out Moscow's Case Against Peking . . . . .	1
High Police Official Acknowledges Growth of Black Market . . . . .	8

25X1



RP ASU 77-026  
22 September 1977



Authoritative CPSU Journal Spells Out Moscow's Case  
Against Peking

The full text of the extensive anti-Chinese polemic in the August issue of the CPSU Central Committee's theoretical journal Kommunist is now available. It is a forceful, sharply focused indictment of Peking's sins as Moscow sees them and clearly reflects Soviet exasperation at the unwillingness of the post-Mao leadership to moderate Mao's strident anti-Soviet policies. Many of the charges made in the Kommunist article have been made elsewhere in Soviet propaganda and in private statements by Soviet officials. Nevertheless, as the most extensive and authoritative official Soviet pronouncement on China since Mao's death, it contributes greatly to an understanding of Soviet charges, fears, and resentment of Chinese policies. The article, which went to press at the same time as the Chinese Communist Party's 11th Party Congress, assumed, correctly, that the decisions taken at the CCP plenum in July were an authoritative statement of Chinese policy under the new leadership and would be reflected in the results of the party congress. Kommunist was clearly at pains to vilify these policies in the strongest possible language.

The New Leaders Are as Bad--or Worse--Than Mao

The Kommunist article clearly articulates Moscow's distress over the fact that Mao Tse-tung's successors have failed to change the direction of Mao's hostile policies toward the USSR. It hammers away at the theme that the essentials of Maoism are being faithfully followed by the new Chinese leaders both internally and externally. In fact, in their negative policies toward the USSR and world socialism, they are being intensified. Moscow's negative assessment of the July plenum's results and of the new Chinese leaders is pointed and harsh. The following, and all the excerpts cited later, are direct quotes:

RP ASU 77-026  
22 September 1977

- So far no positive changes have become apparent in the policy of the Chinese leadership compared with the course pursued by Peking during Mao's life. It is rather the opposite that has happened--a line of further intensification of anti-Soviet attacks, militarization of the country, and closeness with the most reactionary imperialist forces has been charted.
- Implementing the Maoist foreign political course as a whole without corrections, the Peking leaders go beyond it, rejecting the former revolutionary camouflage and displaying an even greater desire to come closer to the imperialists.
- The leaders of the CCP, as is clear, do not intend to reject the Maoist ways, critically assess faulty concepts, and put the country back on the track of socialist building. The events of September-October 1976 did not go beyond a type of leadership coup which was limited to the removal of one of the rival groups without, however, bringing about radical political changes.
- Maoist concepts are the essential foundations of the domestic political program of the new Chinese leadership headed by Hua Kuo-feng.

Most striking is the blanket condemnation of the entire leadership group and the admission that Moscow foresees no succor from any member of the reconstituted Chinese leadership. Specifically, the article claims that "a struggle is taking place within the Chinese leadership less about a 'line,' as its participants claim, than among individuals who support the same Maoist platform and are different only in terms of shades and emphasis." In short, *Kommunist* writes off any significance to the elevation or demotion of any leaders, including Teng Hsiao-ping or "The Gang of Four."

RP ASU 77-026  
22 September 1977

Peking Is Beyond the Pale of Marxism-Leninism

One purpose of the article is to depict Chinese policies as being completely beyond the pale of Marxism-Leninism or having any "progressive" content whatever. Specifically, the journal alleges that:

- Under the new Peking leadership Maoism remains a variety of anti-communism.
- The Peking leadership is in the ranks of the enemies of peace and socialism.
- The policy of the Peking leadership is openly directed against the majority of socialist countries.
- It openly approaches the position of the most extreme reaction and is not only alien to the principles and ideals of socialism but, essentially, has become an important reserve of imperialism.
- The Maoist stipulations on the most important social and economic problems are of an anti-Marxist and subjective nature.

Peking as a Military Threat and Source of War

The article pays close attention throughout to China's military potential and sounds an alarmist note about Peking's alleged preparations for war. It clearly reflects Moscow's growing concern that the West and Japan will contribute to China's military buildup and therefore vilifies Peking's military investment policies as being a source of severe deprivation to the Chinese people and a threat to world peace. These charges, in addition to their obvious propaganda intent and their attempt to discourage Western military-related assistance to Peking, also convey a note of genuine concern about the long range threat to the USSR of a populous, hostile China with a growing nuclear capability. The following points are made:

RP ASU 77-026  
22 September 1977

- The Chinese leaders are actively pursuing the course set by Mao Tse-tung of preparations for war, ignoring the fact that this is harming the development of the country's national economy, exhausting its already limited resources, and creating a serious threat both to the immediate neighbors of the PRC as well as to the cause of peace throughout the world (emphasis added).
- The course of preparation for war was undertaken in the PRC Constitution adopted in January 1975 and in the documents of the Ninth and Tenth CCP Congresses.
- China's military potential is growing at an accelerated pace. Basic attention is being paid to improving nuclear missile weapons. In the first months following Mao's death China had three nuclear blasts. Last year a total of four nuclear tests were conducted.
- In 1976 direct military outlays accounted for over 40 percent of state budget expenditure, about 50 percent of them being in nuclear missile weapons.
- Lately the Chinese leadership has been adamantly asking the West for military aid in terms of procurement of modern armaments and combat materiel as well as assistance in the development of military industry sectors.
- In this connection the trips which Japanese military leaders and specialists have made to the PRC, at Peking's invitation, deserve serious attention. As the Japanese themselves state, they had to listen to the "complaints" of the Chinese military concerning the limited combat possibilities of their army.

RP ASU 77-026  
22 September 1977

Peking Muddies the Waters of Soviet-US Relations and Sabotages Detente

Clearly most rankling to the Soviet Union is Peking's courting and encouraging any country or organization that maintains an essentially adversary relationship with Moscow. Particularly, Peking's tilt toward the US, its contacts with West Germany, and its encouragement of NATO draw the strongest fire in the *Kommunist* article. All are cited as evidence of Peking's casting its lot with imperialism (that is, anyone anti-Soviet). The statement draws particular attention to China's attacks against the basis of the present Soviet leadership's foreign policy--detente and productive relations with the US. Particularly, it claims that:

- Peking's foreign policy is entering a new stage which is even more hostile and dangerous to the forces of peace, democracy, and socialism.
- A trend toward further rapprochement and expanding the area of "common" or "parallel" international interests of Peking and Washington remains.
- The position of the Chinese leadership is reduced to inducing the United States to fight the Soviet Union "edge to edge" on the basis of "common interests" and doing everything possible to provoke a worsening of relations between the United States and the USSR.
- In the scale of priorities of Peking's foreign policy, relations with the West have taken the foreground.
- Li Hsien-nien noted that he had "much in common" with [British Conservative leader Thatcher] on a number of important international problems and the joint desire to counter the policy of detente, "of which there could be no question."

RP ASU 77-026  
22 September 1977

- Using the advance of the enemies of peace in the West and giving them all-round support, the Maoists are trying to turn back the process of detente.
- Peking is adamantly resisting any measure in the field of disarmament. It has still not assumed any obligations banning or limiting the development and use of weapons of mass destruction.
- Acting under the false banner of "struggle against superpower hegemony," Peking is trying to counter the general course followed by the Socialist states toward detente and disarmament.

And Worst of All--Tampering in Eastern Europe

The polemic includes an uncommon expression of concern about alleged Chinese efforts to tamper with Moscow's sensitive relationship with Eastern Europe. The degree of sensitivity on this issue seems surprising, but it is stated in forceful terms:

- The Chinese leadership is continuing its divisive policy of "differentiated approach" to the socialist states, acting in this case in an even more subtle manner than in the past.
- Peking considers its task the breaking of the unity of the fraternal countries and undermining their coordinated course. It is trying to convince individual socialist countries of an alleged "real possibility to develop all-round cooperation" to continue a hostile course toward the socialist community as a whole and the USSR in particular.
- The escalation of Peking's subversive efforts against the members of the socialist community represents a real threat both to their unity and to the national interests of each of the fraternal states (emphasis added).

RP ASU 77-026  
22 September 1977

Finally, the *Kommunist* article provides a clear warning to its allies:

-- Maoist ideology and politics are directed against the . . . very essence of socialism and against the foundations of the international communist movement. Any conciliation with them could turn into a form of opportunism. With this in mind we cannot fail to see the topicality of the struggle against Maoist attempts to assist in the manifestation and proliferation of all types of nationalist distortions (emphasis added).

#### Conclusion

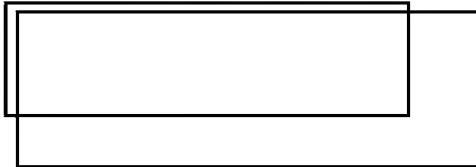
A lengthy portion of the 7,000-word statement attacks in detail Peking's domestic political and economic policies, particularly singling out the Taching and Tachai production models. A few optimistic lines are scattered throughout the piece to the effect that the policies of the new Maoists will fail and China will some day take the path of scientific socialism. The final, five-line paragraph provides a pro forma statement of the Soviet desire for normalized relations between the two countries. The true spirit of the article, however, is best reflected in the concluding paragraph of the penultimate section which states that:

"The words and actions of the Chinese leadership that replaced Mao Tse-tung confirmed the correctness and topical nature of the principled assessments of the theory and practice of Maoism made at fraternal party congresses. Peking's feverish attempts to wreck detente, prevent disarmament, implant mistrust and hostility among countries, and its aspirations to provoke a world war and warm its hands on the flames of this conflagration represent a great danger to all peace-loving nations. Peking's provocative policy is profoundly contradictory to the interests of all nations and must be rebuffed."

25X1

RP ASU 77-026  
22 September 1977

25X1A



25X1

High Police Official Acknowledges Growth of Black Market

In an unusually frank interview on Soviet crime, a high-ranking police official has acknowledged that speculation in foreign and scarce domestic goods is rising and that many ordinary citizens see nothing wrong with dealing on the black market. Interviewed in the 8 September *Komsomolskaya Pravda*, Major General G. V. Daruze, deputy chief of the Ministry of Internal Affairs administration for combating speculation, discussed the black market in detail rarely seen in the Soviet press. Although reports of black marketeering appear regularly in the Soviet press, the Daruze interview is distinctive for its discussion of the overall problem and the absence of the standard rhetoric that, despite aberrations, crime is disappearing in the Soviet Union. Official concern about speculation was demonstrated last November when new laws cracking down on speculation in foreign currency were passed.

Daruze indicated that the speculators with whom his article was concerned were not criminal elements but otherwise law-abiding and increasingly well-educated citizens. Examining trends in the black market, he claimed that the number of people in the 16-29 age group "brought to responsibility" for such activities had risen since 1971, and that the proportion of speculators with a higher or secondary education is now greater than it was in past years. He complained that young speculators learn disrespect for Soviet laws from their families, noting that obtaining furniture and other items illegally "has become the norm for many people." He reinforced this criticism of the Soviet home environment by observing that "for many people it is more prestigious to have a store clerk as a friend than a scholar or a writer."

In providing a detailed description of the black market, Daruze attributed its existence to an intense

RP ASU 77-026  
22 September 1977

desire for fashionable, especially foreign, goods and to the failure of Soviet industry to produce such goods. He explained that foreign goods are supplied to this market by speculators who buy them from visiting foreigners or who manage to get foreigners to buy goods for them in Berezka stores (Soviet stores where goods are sold for foreign currency and where Soviet citizens are not normally allowed), or by Soviet citizens who have traveled abroad and smuggle foreign goods into the country. The reference to Soviet citizens returning from abroad is particularly sensitive because the privilege of foreign travel is granted only to a select few--for the most part, Soviet officials or others of the social "elect"--and only after they have been cleared by the appropriate party and police (KGB) officials.

Daruze was more outspoken about the way in which "individual branches of our industry" do the speculators a distinct "favor" by creating shortages of desired goods while producing a huge volume of items quite unpopular with the young. Daruze noted that this not only encourages illegal traffic in goods manufactured abroad, but also prompts store personnel and others in the pipeline between the factory and the consumers to divert goods in short supply to the black market. According to Daruze, the people who "did not give a thought to the production and sale of fashionable goods for the young" will bear part of the blame if the youngsters operating on the fringe of the black market today grow up to be criminals in the future.

In sum, Daruze admits that "we ourselves create the conditions for speculation" by giving Soviet youth a poor example when it comes to a sense of values and by allowing factories and ministries to produce shoddy and outdated goods. According to Daruze, the Ministry of Internal Affairs' struggle against speculation would be much easier "if branches of industry producing consumer goods reorganized their work to produce what is fashionable today and not yesterday."

25X1

RP ASU 77-026  
22 September 1977

Approved For Release 2004/07/16 : CIA-RDP79T00912A000100010038-7

**Confidential**

**Confidential**

Approved For Release 2004/07/16 : CIA-RDP79T00912A000100010038-7